

REMARKS

Applicants' representative thanks the Examiner for his time during the telephonic interview of January 18, 2007. The Examiner and Applicants' representative discussed at length the cited reference and claim rejections as set forth in the Office Action, and the Examiner requested that Applicants submit the points discussed in this formal Response. Applicants look forward to the Examiner's response to this paper, and respectfully invite the Examiner to contact Applicants' representatives at any time to discuss this application if the Examiner determines that these claims are not in condition for allowance (particularly in view of the lengthy period of prosecution of this application, the numerous prior art searches performed by the Examiner, and the numerous amendments and Requests for Continued Examination submitted herein). Furthermore, in the event that the pending claims are not deemed allowable, a Notice of Appeal is submitted concurrently herewith.

In the Office Action, claims 1-13, 17-29, 33-45, 49 and 50 are rejected under 35 U.S.C. § 102(b) as allegedly anticipated by U.S. Patent No. 5,724,423 to Khello (hereinafter "Khello").

Khello is directed to a portable apparatus for user authentication. A user of Khello's system may enter a personal identification number ("PIN") and a positive integer using a portable terminal device (*See* Abstract, Fig. 2). The portable terminal device encrypts the PIN and combines it with a random code before transmitting it over a communications network (*See* Abstract, Fig. 5(a)). When received, the encoded PIN is decoded to determine if the user is authorized.

With respect to claim 1, the Examiner alleges that Khello discloses a method for generating identification data comprising providing an ATM PIN (*pin*) related to a first transaction type; and generating a non ATM electronic commerce PIN (*random code*) on a

central computer by performing a cryptographic operation on the ATM PIN for second transaction which is a non ATM transaction to be entered by a user in a second transaction type that is a non-ATM transaction (*See* Office Action, p. 2, *citing* Khello, Abstract, col. 2 - col. 3, ln. 35).

First, the Examiner has not stated that Khello discloses the claim limitation of “transmitting said non-ATM electronic commerce PIN to said user” as recited in claim 1. Applicants submit that this step would not be possible utilizing the system of Khello because the “random code,” which the Examiner has likened to the non ATM electronic commerce PIN, is only utilized to encrypt the PIN entered by the user and is never transmitted to the user. In fact, Khello teaches away from transmitting a second PIN to the user stating **“it is an object of the present invention to provide a high level of security that only requires a user to memorize one PIN code”** (Col. 2, lns. 43-45 (emphasis added)). Additionally, the entire background section of Khello discusses in general terms this same point.

In addition, the two codes generated in Khello are utilized in the same transaction (and therefore inherently the same “transaction type”), whereas claim 1 requires the user to enter the non-ATM electronic commerce PIN in a “second transaction type” and, accordingly, not the same transaction type.

Further, Applicants submit that Khello does not disclose the claim limitation of “generating a non-ATM electronic commerce PIN on a central computer.” In Khello, for each and every transaction, the portable terminal device dynamically generates an encrypted, randomized PIN that is different for each transaction. The user does not have to remember the generated PIN (indeed, as a practical matter, the user cannot, since a new PIN is generated for every transaction in Khello), nor does the user ever have to enter this generated PIN to complete

a transaction (*See* Abstract, Fig. 2, Col. 3, lns. 12-35). In the claimed invention, on the other hand, not only does the *central computer* generate the non-ATM electronic commerce PIN, the non-ATM electronic commerce PIN generated by the central computer is intended to be memorized by the user and used **multiple times** in **more than one type of transaction**.

In view of the previously presented arguments, Applicants respectfully assert that claim 1 and the remaining pending claims (i.e., 2-13, 17-29, 33-45, 49 and 50) are now in condition for allowance.

CONCLUSION

In view of the foregoing, Applicants respectfully submit that claims 1-13, 17-29, 33-45, 49 and 50 (all of the pending claims) are in condition for allowance. In the event that the application is not deemed in condition for allowance, the Examiner is invited to contact the undersigned in an effort to advance the prosecution of this application.

Respectfully submitted,



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